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FACT SHEET

Assistance Program (FY 2007-2008)

Budget	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Request)
Total in US\$ ('000)	\$3,180	\$2,000	\$4,000

The USAID bilateral program contributes directly to the achievement of U.S. foreign policy objectives in Panama in the areas of Infrastructure Network Protection (the Canal), Democracy, and Trade and Investment by advancing more responsive, transparent governance and encouraging the growth of an open, diversified economy. USAID regional programs provide assistance in HIV/AIDS, disaster preparedness and mitigation, and collective capacity to manage critical, trans-border watersheds.

Governing Justly and Democratically — Good Governance program facilitates implementation of select components of the National Anticorruption Strategy and supports the capacity strengthening of civic organizations to conduct social audits in transparency and accountability initiatives of the government of Panama.

In FY 2007, significant improvements took place in the three major components of the National Anticorruption Strategy: public policy, institutional strengthening and citizens' participation. Activities helped strengthen the regulatory framework, public policy and key public institutions that fight corruption and make more efficient the investigation of crimes in government. Civic organizations received support to strengthen their technical and institutional capacity and press more successfully for reduced levels of grand and administrative corruption. Assistance enhanced tools available to prosecute corruption effectively in accordance with international anti-corruption standards. *Alianza Ciudadana Pro Justicia* conducted social audits of public sector entities and court decisions related to prominent corruption cases. USAID helped establish the interactive tool, *Vigilancia Ciudadana contra la Corrupción*, which reinforced continuous monitoring of prosecution and court rulings in key corruption cases. Seven Global Development Alliances leveraged \$1.1 million, nearly doubling USAID funding.

Major Accomplishments:

- Enactment of new Criminal Code
- Development of new Criminal Procedure Code
- Enactment of a new Civil Service Act
- Implementation of civil service practices at National Tax Directorate
- Public Prosecutor Anti-Corruption Unit operational in the Attorney General Office
- Development of Anticorruption Plan for the Judiciary
- Increased scrutiny of government actions through social audits
- Stronger civic advocacy of key components in anticorruption legislation
- More robust ethical values, transparency and good governance

Economic Growth — USAID-funded activities improve sector level capacity, which increases competitiveness and exports. Our assistance contributes to policy and legal reforms, best practices, and environmentally-sound approaches to watershed and protected areas management that promote biodiversity conservation and the sustainability of water and other natural resource use in the long term, securing the operation of the Panama Canal.

Trade and Investment: The program assisted demand-led activities that contributed to business development and provided business linkage opportunities in key sectors with high potential to compete in the global economy. To this end, assistance promoted fundamental changes in a firm's ability to diversify and compete in local, regional, and world markets, including enhancement of entrepreneurial and managerial skills, technical know-how on production, and participation in international fairs to generate export prospects.

In FY 2007, the competitiveness of micro, small and medium-sized enterprises (MSMEs) increased in the agribusiness, artisan, and information technology sectors. Fifty-four MSMEs improved their capacity to access international markets. USAID assistance helped increase product quality standards and sales of wood products, increasing the volume of potentially certifiable wood products from natural forest and plantations, organizing the supply of these products, and building capacity in the forestry and agriculture sectors. Eco-friendly certification promoted the protection of the environment, the welfare of workers, and the economic development of local communities ready to benefit from the economic opportunities of trade liberalization.

Major Achievements:

- Competitiveness of MSMEs increased.
- Business sales of artisan enterprises expanded.
- Export capacity of target MSMEs improved.
- Sustainable Products Alliance to certify agricultural and forestry businesses established.
- Local public-private strategic business alliance formed.
- Institutional export promotion strengthened.
- Forest model to sustainably manage timber and non-timber resources implemented.

Natural Resources and Biodiversity: Biodiversity conservation program focuses on consolidating improvements in protected areas management, furthering sustainable resource use in critical sub-watersheds in the Panama Canal Watershed (PCW), and strengthening environmental governance.

In FY 2007, biodiversity conservation activities improved the policy framework, advanced best management practices and promoted citizen participation that contributed to better management of protected areas, facilitated adoption of sustainable resource use in critical sub-watersheds in the PCW, and strengthened environmental governance. USAID continued to partner with key agencies and organizations to implement sustainable best practices. Activities promoted participation of civic organizations in environmental policymaking and its implementation to garner greater transparency and efficiency in the execution of norms and policy. Training increased understanding of environmental legislation and provided necessary implementation skills to a cross-section of individuals involved in environmental jurisprudence. To better track changes in forest cover and land use, geospatial imaging was introduced as a tool to consider in the management of natural resources and conservation of biodiversity.

Key Milestones:

- USAID-Panama Canal Authority Incentive Fund (\$2.4 million) for the Conservation and Recovery of the PCW operational.
- Environmental Advocacy Center created.
- Capacity in the implementation of environmental law bolstered.
- Cutting-edge technology to establish baseline to monitor natural resources in the PCW introduced.

Regional Programs —The HIV/AIDS program helps contain the spread of this disease through targeted behavior-change activities for high-risk groups and an improved policy environment. The strategic use of information for awareness and advocacy and improved detection and treatment are the main tenet of this assistance.

The Conservation of Central American Watersheds program supports activities that promote financial sustainability of protected areas, implementing consistent watershed management plans, and increasing the use of private voluntary mechanisms. In Bocas del Toro, assistance supports development of a land use plan, using a participatory process, to help guarantee balanced development in the area.

Other regional assistance helps with disaster monitoring and strengthening response capabilities to natural shocks and emergencies.